

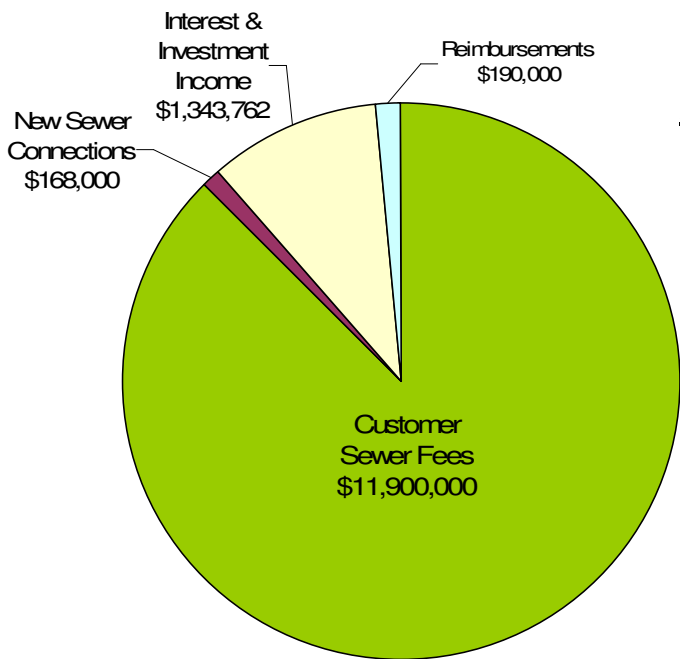
2012 Lower Paxton Township Authority (LPTA) Operations Budget:

Sanitary sewer service is provided by the LPTA, which owns an extensive collection and transmission system. Operation of the sanitary sewer system is the responsibility of the Township’s Sanitary Sewer Department. The Township and the Authority have joined forces through a management agreement whereby the Township, through municipal employees, operates the LPTA’s sewer system on a day-to-day basis.

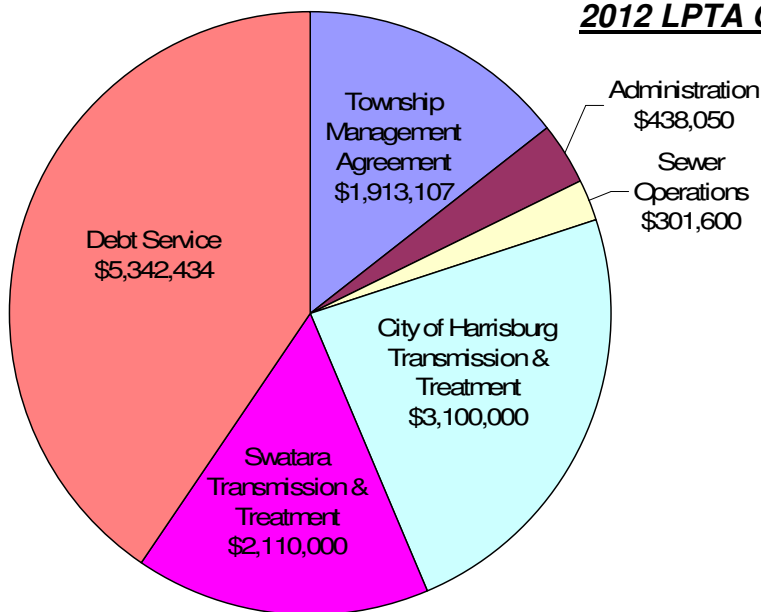
The sanitary sewer system owned by the LPTA is comprised of 250 miles of sanitary sewer main lines, 6 pumping stations, and a package treatment plant. The Township’s Sewer Department provides for the day-to-day operation of this sewer system. The LPTA’s sanitary sewer system services over 15,000 accounts. Residential accounts are charged a sewer service rental rate of \$116.00 per calendar quarter, a rate that will not change in 2012. Nonresidential accounts are charged for system rental based upon water usage, with a base charge equal to the residential rate. In addition, new customers to the sanitary sewer system pay a one-time tapping fee that varies depending upon sanitary sewer drainage basin.

Financially, the LPTA operates as an “enterprise” entity. Governments use enterprise funds to account for quasi-business activities; activities similar to those found in the private sector. Quasi-business activities include services funded through user charges, as are LPTA services, which receive no financial support from Lower Paxton Township.

The 2012 LPTA Operating Fund budget expects revenues of \$13,601,762 against expenditures of \$13,205,191. LPTA expenditures for capital projects in 2012 are expected to be \$15,119,100.



2012 LPTA Operating Revenues:



2012 LPTA Operating Expenditures:

2012 Lower Paxton Township Authority (LPTA) Capital Budget:

The LPTA is expected to possess cash-on-hand of approximately \$45 million at the beginning of the 2012 fiscal year. This cash balance is being used to fund long-term capital improvements to the sanitary sewer system.

Through extensive investigations the LPTA has determined that a significant amount of storm water and groundwater (clear water) is flowing into its sanitary sewer system from private homes and businesses. Clear water can cause sanitary sewers to overflow in peak wet weather conditions, a condition that contributes to water pollution. As such, the PA Department of Environmental Protection has ordered the LPTA to eliminate sanitary sewer overflows.

Some common sources of this clear water infiltration and inflow are defective public sewer mains and private building sewers, as well as roof downspouts, sump pumps, and area drains connected to building sewers. To remove inflow and infiltration from the sanitary sewer system the LPTA is working with identified property owners to replace sanitary sewers in selected sewer mini-basins. All costs associated with this effort are assumed by the LPTA.

The following chart indicates the capital improvements proposed by area for the LPTA sanitary sewer system in 2012.

